

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|------------------------------|---|-------------------|
| THE NOTICE OF PURCHASED GAS |) | |
| ADJUSTMENT FILING OF WESTERN |) | CASE NO. 90-013-I |
| KENTUCKY GAS COMPANY |) | |

O R D E R

On September 13, 1990, the Commission issued its Order in Case No. 90-013 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment ("GCA") Clause set forth therein.

On October 1, 1992, Western Kentucky Gas Company ("Western") filed its quarterly GCA which is to become effective November 1, 1992 and is to remain in effect until January 31, 1993.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Western's notice of October 1, 1992 set out certain revisions in rates which Western proposed to place into effect, said rates being designed to pass on to its firm sales customers the wholesale increase in gas costs from its suppliers in the amount of 66.42 cents per Mcf, including take-or-pay billings. Western's expected gas cost for firm sales customers for the quarter beginning November 1, 1992 is \$3.5130 per Mcf.

Western also proposes to pass on to its interruptible customers the wholesale increase in gas costs in the amount of

61.68 cents per Mcf, including take-or-pay billings. Western's expected gas cost for interruptible sales customers for the quarter beginning November 1, 1992 is \$3.2302 per Mcf.

2. Western's notice set out a total refund adjustment for sales customers in the amount of 2.26 cents per Mcf which is comprised of carry-overs from previous refunds.

3. Western's notice set out a current quarter actual adjustment in the amount of 5.75 cents per Mcf to compensate for under-recovery of gas cost by the Company through the operation of its gas cost recovery procedure during the months of May, June, and July 1992. The total actual adjustment for sales customers is (15.70) cents per Mcf, and is designed to correct the current under-recovery as well as under- and over-collections from three previous quarters.

4. Western's notice set out a balance adjustment for sales customers in the amount of (1.08) cents per Mcf, which replaces the previous adjustment of (6.39) cents per Mcf. This balance adjustment compensates for over-collections which occurred as a result of previous actual and balance adjustments. It also includes a refund of \$639 from Tennessee Gas Pipeline which Western proposed to refund over one quarter due to the small size of the refund as opposed to the four quarters of the refund adjustment. This appears reasonable and should be approved.

5. Western proposed a GCA of (\$.1118) per Mcf for firm sales customers and (\$.1373) per Mcf for interruptible sales customers, which represent the combined effect of the supplier increase, and the refund, actual, and balancing adjustments.

6. Western's adjustment in rates under the provisions approved by the Commission in its Order in Case No. 90-013 dated September 13, 1990, is fair, just, and reasonable, in the public interest, and should be effective with final meter readings on and after November 1, 1992.

7. Western's filing of October 1, 1992 included supplementary information concerning its actual adjustment for which it requested confidentiality. This information discloses the actual price being paid by Western to individual marketing companies and other suppliers of gas. Publication of such information is likely to cause competitive injury to Western and should be protected.

IT IS THEREFORE ORDERED that:

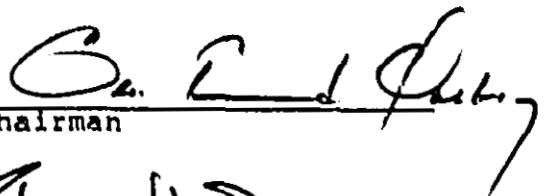
1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with final meter readings on and after November 1, 1992.

2. Within 30 days of the date of this Order, Western shall file with this Commission its revised tariffs setting out the rates authorized herein.

3. The detail sheet contained in Exhibit D, which Western has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 29th day of October, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-013-I DATED October 29, 1992

The following rates and charges are prescribed for the customers in the area served by Western Kentucky Gas Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Applicable to: General Sales Service Rate G-1

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$.1118) per Mcf of gas used during the billing period.

Applicable to: Interruptible Sales Service Rate G-2

Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: (\$.1373) per Mcf of gas used during the billing period.